

Certificate of Need (CON)

Overview

- Certificate of Need reviews and makes decisions on various types of projects. Its goal is to:
 - Allow the development of new services & facilities in an orderly way that allows for competition to occur within a planning area; doing so without destabilizing the existing system.
 - Approve projects that have a reasonable chance of succeeding financially without causing unusually high rates.
 - Approve those projects where the applicant does not have a known record of providing poor quality. History is examined for both Washington and other States.
 - Approve those projects where there is no better alternative. This takes into consideration the expected impact an approval will have on the existing providers.

Activities Subject to Review

- Construction, development or establishment of new health care facilities
 - Hospitals
 - Nursing Homes
 - Kidney Dialysis Centers
 - Medicare Home Health Agencies
 - Medicare Hospice Agencies
 - Ambulatory Surgical Centers
 - Hospice Care Centers
- Any increase in the number of kidney dialysis treatment stations
- Sale, purchase, or lease of all or part of an existing hospital, regardless of profit/non-profit status
- Any increase in the number of licensed beds at a hospital, hospice care center or nursing home
- Development of a new tertiary health service regardless of facility type
 - Level I Rehabilitation Programs
 - Open Heart Surgery
 - Organ Transplantation
 - Specialty Burn Services
 - Intermediate Care Nursery and/or Obstetric Services II
 - Neonatal Intensive Care Nursery and/or Obstetric Services Level III

- Specialized Inpatient Pediatric Services
- For Nursing Homes Only, any capital expenditure exceeding the minimum 1 million dollar threshold (adjusted for inflation--currently 1.2 M)
- Nursing home bed banking transactions
- Nursing home Replacements

General Review Criteria

Before approval is granted to an applicant, the project must demonstrate it meets four basic criteria. These are Need, Financial Feasibility; Structure & Process of Care (Staffing and Quality of Care), and Cost Containment. Under each criterion there are sub-criteria. The program is also able to use criteria developed by other recognized organizations that identifies specific criteria/standards for the type of service being proposed.

Each general criterion has sub-criteria. For example:

- **NEED**
 - The population served or to be served has need for the project and other like services or facilities are not or will not be sufficiently available or accessible to meet that need
 - The efficiency and appropriateness of the use of existing health services and facilities
 - All residents of the service area, including under-served groups will have access to the proposed service.
- **FINANCIALLY FEASIBLE**
 - The immediate and long-range capital costs of the project can be met.
 - The costs of the project, including construction costs, will probably not result in a unreasonable impact on the costs and charges for health services.
 - The project can be appropriately financed.
- **Structure and Process of Care**
 - Sufficient supply of qualified staff, including both health personnel and management personnel, are available or can be recruited.
 - The service will have an appropriate relationship, including organizational relationship, to ancillary and support services and ancillary and support services will be sufficient to support the service.
 - There is reasonable assurance the service will be in compliance with all applicable state/federal/local statutes, rules and conditions of participation.

- The service will promote continuity in the provision of health care, not result in an unwarranted fragmentation of services and have an appropriate relationship to the service area's existing health care system.
 - There is reasonable assurance that the services will be provided in a manner that ensures safe and adequate care to the public to be served.
- **Cost Containment**
- Superior alternatives, in terms of cost, efficiency, or effectiveness, are not available or practicable
 - The project will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost containment and which promote quality assurance and cost effectiveness.

A project must positively meet all these criteria in order to receive the authorization to proceed with the development of the service.

Statutory Authority RCW 70.38

[Certificate of Need Statute](#)

Program Rules WAC 246-310

[Certificate of Need Program Rules](#)

For More Information Contact:

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